October 24, 2018

Confidence of entrepreneurs did not change, confidence of consumers increased

Business cycle survey – October 2018

Overall confidence in economy increased slightly. The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased by 0.2 points to 99.8 compared to September. Confidence of entrepreneurs did not change and remains at the same value 97.3 m-o-m. Consumer confidence indicator increased by 1 point to 112.0, m-o-m. Composite confidence indicator and consumer confidence indicator are higher, compared to October 2017, entrepreneurs confidence indicator is slightly lower.

In **industry***,* in October, confidence indicator increased slightly by 0.7 points to 95.7. The assessment of current overall economic situation of the respondents decreased slightly m-o-m. The assessment of current total demand increased slightly, the assessment of foreign demand almost unchanged. According to respondents, stocks of finished goods almost unchanged too. Most important barrier of production is lack of staff; it was stated by 33 % of respondents. Entrepreneurs in industry also require more demand; it was stated almost by 24 % of respondents. For the next three months, respondents expect almost no changes in the development of production activity and in the employment too. Expectations of general economic situation development for the next three as well as six months decreased, m-o-m. All in all, confidence in industry is still lower, y-o-y.

In October, production capacity utilization in **manufacturing industry** decreased very slightly and reached 85.7 % q-o-q. Respondents estimate they have work secured by contracts for 8.4 months, which is slightly less as in the previous quarter.

In **construction**, in October, confidence increased by 1 point to 101.2. The assessment of current economic situation of the respondents decreased, m-o-m. The assessment of total demand for construction work increased slightly, compared to September. Expectations of the demand for construction work decreased. Respondents expect for the next three months a decrease in the development of construction activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months almost unchanged, m-o-m. For the first time in the history of the survey, most important barrier of production is lack of staff; it was stated by 35 % of respondents. Overall, confidence in construction is higher, y-o-y.

In October, confidence in **trade** decreased by 2.2 points to 99.3. The assessment of overall economic situation of the respondents decreased m-o-m. The stocks increased slightly. Expectations of the economic situation development for the next three months almost unchanged, for the next six months decreased. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in October, confidence decreased slightly by 0.5 points to 97.9. The assessment of current economic situation of the respondents almost unchanged compared to September. In October, the assessment of demand decreased, its expectations for the next three months almost unchanged. Expectations of total economic situation development for the next three as well as six months almost unchanged. All in all, confidence in selected services is higher, y-o-y.

In October, consumer confidence indicator increased by 1 point to 112.0, m-o-m. The survey taken among consumers in October indicates that consumers are for the next twelve months less afraid of a decrease in the overall economic situation. Worries about their financial standing almost unchanged, compared to September. The share of respondents intending to save money almost unchanged too. The respondents concern about rises in prices almost unchanged. Worries about rise in the unemployment did not change, m-o-m. Overall, consumer confidence indicator is higher, y-o-y.

Notes:

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This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph Confidence indicators – base indices, seasonally adjusted (2008–2018)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2018)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2018)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2018)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted

Graph Production Capacity Utilisation in Manufacturing Industry

Graph Limits of Production in Industry

Graph Limits of Production in Construction

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